

It is the City's opinion that cable operators must be willing to provide individual franchisors with statistics and operating statements which fully describe the operations — both expenses and profit (or positive cash flow) of the individual franchise. The Commission should require cable operators to make this information available to franchisors.

Article II., 4. "Regulation of Cable Programming Services,"
b: "Complaint Procedures: Rate Reduction and Refund
Procedures for Rates Found to be Unreasonable."

- In section ii, "Discussion," on page 51, paragraph 102, the Commission states, "The difficulties that ordinary subscribers may face in drafting complaints may make it advisable to enlist the franchising authorities' expertise in this process."

The City of Thousand Oaks offers the following comments:

The Commission asks, "whether subscribers should be permitted, or required, to obtain a franchising authority's decision or concurrence as a precondition to the filing of a valid complaint." The Commission also asks how such a requirement would be consistent with the Cable Act.

We believe it would be beneficial to a subscriber to be able to contact the franchising authority for assistance in drafting a complaint to the FCC regarding cable programming services. For example, this agency dedicates a portion of its staff resources to administer the City's cable franchise agreements, and to provide information to citizens, and otherwise assist them with cable-related matters. In addition, this City facilitates communication, via fax transmittals, between subscribers and the cable operators whenever subscribers contact us directly.

- **The Cable Act, Section 623, (8), (C), (1), (B), states,**

“(the Commission shall, by regulation, establish the following:) fair and expeditious procedures for the receipt, consideration, and resolution of complaints from any subscriber, franchising authority, or other relevant State or local government entity alleging that a rate for cable programming services charged by a cable operator violates the criteria

prescribed under subparagraph (A), which procedures shall include the minimum showing that shall be required for a complaint to obtain Commission consideration and resolution of whether the rate in question is unreasonable; . . .”

The intent of the Cable Act is that procedures be “fair and expeditious” and the Act appears to give the Commission the ability to define the required “minimum showing.” Therefore, we see no problem with the Commission requiring a subscriber, as part of the minimum showing, to obtain the concurrence of the local franchise authority. If the complaint appears to have merit, the franchisor can confirm this fact, thus expediting the Commission’s review of the matter.

From this City’s perspective as a cable franchisor, subscriber comments are a source of valuable information, as they assist us in assessing the performance of the cable franchisees (operators), including their degree of compliance with franchise requirements for customer service, technical standards and other matters. To the extent that the City would be notified concerning the complaints of citizens regarding the delivery and pricing of cable TV, this would be an advantage for the City and, as stated above, we believe it would be an advantage to the subscriber as well.

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- In section ii, “Discussion,” on page 51, paragraph 103, the Commission states, “We propose to require that all complaints be served on both the cable operator and the franchising authority by the complaining parties. After a complaint is served, an operator would have a reasonable period of time in which to file a response, e.g. 15 or 30 days. Based on the complaint and a response, we would make a determination of whether a complainant had made a minimum showing to permit the case to go forward, etc.”

The City of Thousand Oaks offers the following comments:

The City concurs with the Commission’s plan to have the operator bear the burden of producing evidence to disprove the allegations; and that a benchmark model for regulation could permit the operator to show that its rates were within the benchmark.

Concerning the “pleading cycle” for the operator, we would suggest that a minimum period, such as 15 or 30 days be allowed; since the operator would previously have had the time and opportunity, during the minimum showing phase, to examine the complaint and prepare its response.

End of City's comments to specific Commission inquiries.

City's Closing Statement:

The City of Thousand Oaks thanks the Commission for providing this opportunity to comment on critical rate regulation implementation issues. This franchisor has presented its perspective in an effort to be helpful to the Commission.

We believe our comments identify issues which reflect the concerns of cable subscribers in this “captive” cable market, and we ask the Commission to put its primary weight behind protecting the interests of cable subscribers who, during the past several years, have had no choice but to dig ever deeper into their checkbooks for minimal channel offerings (approximately 30 choices, not including premium channels), flawed customer service relations (based on citizens’ comments to the City) and less-than-excellent technical product.

In closing, we ask the Commission to implement both the letter and the spirit of the 1992 Cable Act by giving primary weight to the rates charged by systems subject to effective competition, or an equivalent statistical model. We ask that the Commission not validate the post-1986 performance of monopoly cable operators by providing them with the means to prop up inflated rate structures, while skimping on product (new channel offerings) and customer service.

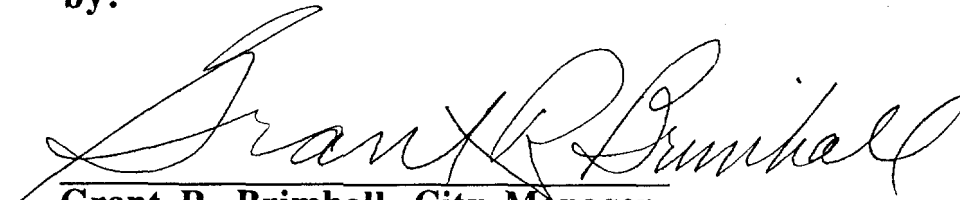
As shown on the rate chart at the end of these comments, in Thousand Oaks the price for basic cable has increased by 117 percent and 75.8 percent, respectively, for the community's two cable operators since enactment of the 1984 Cable Act.

for:

THE CITY OF THOUSAND OAKS, CALIFORNIA

Judith A. Lazar, Mayor
Elois Zeanah, Mayor Pro Tem
Alex Fiore, Councilmember
Frank Schillo, Councilmember
Jaime Zukowski, Councilmember

by:


Grant R. Brimhall, City Manager

Attachment

Thousand Oaks Cable Rate History
(Since Rate Deregulation; Effective Date: Jan. 1, 1986)

	<u>Basic Service</u>	<u>Percent of Change</u>	<u>Other Tiers Available</u>	<u>Premium Channels</u>
<u>VCC (Storer)</u>				
1/1/86	\$9.90 (12 Channels)	NA	None.	\$15.60 & Up
5/1/87	14.00 (22 Channels)	+ 41 percent	"Economy" service (12 channels) at \$11.00.	\$10.95 & Up
7/1/88	14.95 (29 Channels)	+ 6.7 percent	None.	\$14.00 & Up
7/1/89	15.95 "	+ 6.7 percent	None.	\$11.95 first + \$2; \$9.95 each add'l.
7/1/90	16.90 (36 Channels)	+ 6.7 percent	"Broadcast" service (15 channels) at \$12.95.	No Change
6/1/91	17.95 "	+ 6 percent	"Broadcast" service (15 channels) at 12.95.	"
5/1/92	19.37 "	+ 8 percent	"Broadcast" service (15 channels) at 12.95.	"
4/1/93	21.50 "	+ 11 percent	"Broadcast" service 15 channels) at 13.60.	\$10.95 (HBO) + \$2; others \$9.95 + \$2
1/86 — 4/93		117% Increase		
<u>Falcon (CCTV)</u>				
3/1/86	11.75 (25 Channels)	NA		\$11.95 HBO, TMC; \$9.95 Disney
7/15/90	16.95 (32 Channels)	+ 44 percent	"Broadcast" service (17 channels) at \$13.95.	\$10.00 Each
7/1/91	18.50 (35 Channels)	+ 9 percent	"Broadcast" service (17 channels) at \$15.50.	"
1/1/93	20.28 (35 Channels)	+ 5 percent	"Broadcast" service (17 channels) at \$16.28.	"
3/86 — 1/93		75.8 % Increase		